

November 13, 1998

Memorandum

To: Assistant Directors for Administration

From: Debra E. Sonderman, Director
Office of Acquisition and Property Management

Subject: **FY 1999 Management Control Program Guidance for Acquisition and Property Management**

This memorandum supplements the October 23, 1998, guidance and time frames provided by the Office of Financial Management (PFM) concerning the Department's FY 1999 Management Control Program. The Departmental Functional Reviews (DFRs) required by the Office of Acquisition and Property Management (PAM) are Acquisition Performance Assessments, Procurement Data Reporting, Personal Property Performance Assessments, and Museum Property Reporting.

Acquisition Performance Assessments.

The QUality In Contracting (QUiC) program is an integrated, balanced approach to acquisition performance measurement. QUiC integrates the procurement community's implementation of several requirements, most notably those of OMB Circular A-123, Management Accountability and Control; the Federal Managers' Financial Integrity Act; and the Government Performance and Results Act. In this regard, it constitutes the Departmental Functional Review process for acquisition. By carefully defining the values and objectives of the acquisition community, QUiC seeks to balance responsibility to mission accomplishment with accountability for sound business decisions.

The stated mission of the DOI acquisition community is "to obtain the quality goods and services needed to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to tribes in an efficient, effective and legal manner." In order to determine whether this has been accomplished, each Bureau and Office annually assesses its performance in eight measurement categories: regulatory compliance; timeliness; management/leadership; value; meeting mission goals; procurement professionalism; automated acquisition and reporting systems; and innovation.

A complete picture of the Department's accomplishments is then developed by analyzing the bureau reports for trends, best practices and opportunities for improvement. This is used to shape the overall acquisition management strategy for the following year. Based on the FY1998 QUiC reports, PAM has identified subjects which should receive particular emphasis from each bureau in FY1999. These are identified in Attachment 1.

QUiC is based on the recognition that no single performance measure or methodology can capture the full range of information needed to gauge performance. Therefore, it utilizes data gathered from all three of the primary members of the acquisition team—acquisition employees, acquisition managers, and customers (i.e., program office employees). Information with which to make the performance assessments is collected for each of the eight measurement categories by using three techniques: surveys; statistical data collection; and quality reviews. We strongly believe that QUiC is a superior method; nevertheless, if you believe one of your offices needs a more detailed review, the use of QUiC does not relieve you of the responsibility to conduct a formal, on-site acquisition management review.

Bureaus and offices will use the QUiC methodology to perform their FY1999 Acquisition Performance Assessments. Regular participation in the QUiC Users Group by procurement personnel is not a mandatory element of the program, but is highly recommended. Since QUiC allows a great deal of bureau customization, each bureau must provide PAM with a description of its specific assessment plans by **December 18, 1998**, in sync with PFM's timetable. The annual QUiC report, which is due to PAM by **August 31, 1999**, is a comprehensive assessment of the bureau's acquisition performance, and is the only report required under this DFR. At the bureau's option, the same report may also be used as input for preparation of the bureau's annual assurance statement.

Procurement Data Reporting.

Federal agencies are required to submit complete, timely and accurate data to the Federal Procurement Data System (FPDS). The Interior Procurement Data System (IPDS) is Interior's established means to respond to this requirement. The completeness, accuracy and timeliness of the IPDS database was challenged by a December 1989 OIG audit which determined the data to be incomplete and inaccurate. In 1990, the system was named a Department-wide material weakness. Since that time, PAM has continued to challenge the bureaus to improve the quality and timeliness of their procurement data reporting.

PAM complied with all OIG audit recommendations, and a policy was issued in March 1991 establishing management controls for bureau use in procurement data reporting. However, the problem of incomplete, late and inaccurate reporting has recurred and has continued in selected bureaus to this day. Placing the material weakness at the Departmental level without naming specific bureaus and requiring closely monitored corrective action plans has not worked with some bureaus. We have determined that the material weakness must be modified to name and hold accountable those bureaus which cannot demonstrate that their reported procurement data is complete, current and accurate.

Computer reports on accuracy and timeliness have been developed in concert with bureau IPDS Quality Control Points and Bureau Procurement Chiefs. Ratings of the DOI bureaus on these metrics are arrayed in Attachment 2.

Historically, the completeness of data reporting has been determined by comparing a sampling of procurement file with data actually submitted to the IPDS. Beginning in FY 1995, Bureau Procurement Chiefs were required to certify their data as complete, current and timely, to explain

exceptions, and to commit to corrective measures where required. Continued deficiencies in procurement data resulted in an effort to match obligations reported to the IPDS with related obligations submitted to bureau financial systems. Procurement/finance data comparisons for FY 1993-97, based on bureau-developed ad hoc reports, were provided to bureau procurement managers in early FY 1998, but refinements to the finance system reports have not been adequate to give the necessary precision for all bureaus. Completeness of FY 1998 data will therefore be judged on the basis of consistency of the data over the period FY 1993-98 (see Attachment 3).

Based on the results of the three metrics (accuracy, timeliness, and completeness/consistency), one bureau will be required to assume formal responsibility for addressing their “data integrity in the Interior Procurement Data System” as a bureau level material weakness (an action plan is being provided to that bureau as Attachment 5). In April 1999, we will reevaluate the data integrity of IPDS and determine if other bureau level material weaknesses are required.

Personal Property Performance Assessments.

A performance assessment process similar to QUiC has been instituted to meet the requirements for property management DFRs. In FY 1998, all bureaus participated in the pilot of the Personal Property Performance Measurement (PPPM) system. PAM provided all bureau property management officers with the results of their pilot surveys. Based on comments from the pilot, survey questionnaires are being revised, and will be provided to the bureau property management officers for review prior to administering the FY 1999 surveys.

All bureaus are required to use the PPPM during FY 1999 to survey their Personal Property Management program. Surveys will be conducted from February 1 through June 30, 1999. Any deviation from this schedule must be submitted in writing to the Director of PAM. The following steps are necessary for scheduling surveys:

1. Bureaus must contact Stephanie Taylor in PAM (202) 219-0579 to schedule a meeting to determine how the surveys will be set up for FY 1999. For consistency of reports, all bureaus are required to survey one-third of their bureau.
2. All bureaus are required to have a representative attend a training session on how to compile survey results. This class will be conducted by PAM in April 1999. Information concerning this training will follow under separate cover.
3. The Departmental benchmark (i.e., the composite performance management scores) will be provided by PAM to the bureaus by July 15, 1999.
4. Bureau final reports and analysis of the surveys are due to PAM by **August 31, 1999.**

Your bureau/office may also elect to conduct on-site Property Management Reviews if there are any historical problems or new concerns. If so, a schedule of the areas you plan to review must be included in your response to the Office of Financial Management by COB, **December 18, 1998, with a copy to PAM.** Attachment 1 addresses bureau-specific property management

issues of importance that should be considered when developing your bureau's management control review plans for FY 1999. If on-site reviews are conducted in addition to the PPPM, all final reports are due in PAM by **August 31, 1999**.

Museum Property Reporting.

The lack of accountability and control over artwork and artifacts was first identified as a Department-wide material weakness in 1990. Several management actions have been taken, including issuing revised Departmental policies and procedures in March 1997, creating a new Office of Museum Services in the National Business Center in October 1997, and recently completing the development of individual bureau action plans. With Departmental policies, standards, and guidance in place, eliminating the material weakness now depends on successful implementation of the individual bureau plans for managing museum property in accordance with Part 411 of the Departmental Manual. We have determined that formal responsibility for addressing the lack of accountability and control over artwork and artifacts material weakness must shift from PAM to each individual bureau and office with museum property. The importance of addressing the backlog in cataloging bureau museum property collections is further reinforced by its inclusion as GPRA targets in the Department's Strategic Plan.

By March 1999, PAM is scheduled to determine whether or not to retain the lack of accountability and control over artwork and artifacts as a Department-wide material weakness. We anticipate that the material weakness will be extended until all bureaus firmly establish bureau museum program infrastructures sufficient to demonstrate routine implementation of bureau plans approved by PAM. Bureaus are instructed to meet specific milestones for issuing bureau policies and guidance, and for documenting museum property collections at a pace that indicates the job will be done as expeditiously as possible.

Attachment 4 provides bureau-specific action plan summaries with specific target dates for FY 1999 and for long-term actions. These summaries incorporate by reference the more complete action lists provided in individual bureau plans.

PAM will continue its oversight and coordination roles, and will monitor bureau reports carefully for news of bureau accomplishments. We anticipate that Department-wide training and technical assistance opportunities will increase when staff vacancies in the National Business Center's Branch of Museum Services are filled during FY 1999.

If additional information is required, your staff may contact Sherry Sita at (202) 208-5830 or by e-mail at Sherry_Sita@ios.doi.gov. Thank you for your attention to this important management control requirement.

Attachments

cc: Bureau/Office Management Control Coordinators
Director of Administration
Director, Office of Financial Management
Property Management Partnership
Bureau Procurement Chiefs
Interior Museum Property Committee
Museum Program Executive Program Committee

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

BUREAU OF INDIAN AFFAIRS

Acquisition Management -

- Procurement data reporting
- Corrective actions under the FY1998 Acquisition Management Review
- Contracting officer training
- IDEAS implementation

Property Management -

- Upgrade policy and procedures for managing personal property in order to assess quality and accuracy of data.
- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.
- Create and provide a property management guidebook for field offices.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

BUREAU OF LAND MANAGEMENT

Acquisition Management -

- Customer satisfaction
- Procurement planning
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

BUREAU OF RECLAMATION

Acquisition Management -

- Communications with customers and fostering teamwork
- Acquisition planning
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.
- Develop an action plan for the bureau's migration to a new personal property management system with an electronic interface to the Federal Finance System and the Interior Department Electronic Acquisition System.
- Complete the implementation of the Reclamation Enterprise Maintenance Management System.
- Upgrade plans and procedures for managing personal property by providing a handbook of operating procedures.
- Develop procedures for the new capitalization threshold.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

FISH AND WILDLIFE SERVICE

Acquisition Management -

- Training, in particular COR training
- Implementation of Performance Based Service Contracting
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

MINERALS MANAGEMENT SERVICE

Acquisition Management -

- COR Training
- Workload distribution
- IDEAS implementation

Property Management -

- Upgrade policy and procedures for managing personal property.
- Conduct performance measurement survey of personal property managers and program customers.
- Develop procedures for the new capitalization threshold.
- Complete implementation of the Property Management Information System (PMIS).
- Provide training to property management staff, program managers and program customers on use of PMIS.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

NATIONAL BUSINESS CENTER

Acquisition Management -

- Customer service and improving partnerships
- Performance assessment program
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.
- Develop adequate tools to enable custodial officers to perform their property functions; redefine custodial officers duties.
- Develop a better method of tracking property under \$5,000, and non-sensitive items.
- Enhance reutilization of excess property.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

NATIONAL PARK SERVICE

Acquisition Management -

- Customer service
- Performance Based Service Contracting
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Develop procedures for the new capitalization threshold.
- Complete training of property management staff, program managers and program customers on use of the Fixed Asset System.
- Upgrade policies and procedures for managing personal property including their conversion to electronic format for dissemination over the Internet.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

OFFICE OF AIRCRAFT SERVICES

Acquisition Management -

- Performance assessment program
- Customer satisfaction
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Acquisition Management -

- File documentation
- Charge card usage
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.
- Complete implementation of the Property Management Information System (PMIS).
- Provide training to property management staff, program managers and program customers on use of PMIS.

**ISSUES REQUIRING PARTICULAR ATTENTION
DURING THE FY1999 ASSESSMENT PROCESS:**

U.S. GEOLOGICAL SURVEY

Acquisition Management -

- Competition practices
- File documentation
- IDEAS implementation

Property Management -

- Conduct performance measurement survey of personal property managers and program customers.
- Identify plans for providing training to property management staff, program managers and/or program customers.
- Develop procedures for the new capitalization threshold.
- Upgrade policy and procedures for managing personal property including their conversion to electronic format for dissemination over the Internet.
- Develop process to evaluate current property data to determine its completeness and integrity.
- Complete and clean up Biological Research Division's property data in the Fixed Asset System.